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Equitable Villages in America. By WILLIAM PARE, ESQ.

[Read before the Statistical Section of the British Association at Glasgow, September, 1855.]

THERE was founded, some four years since, in Long Island, in the State of New York, what is called an "*Equitable Village*," under the distinctive title of "*Modern Times*." Its origin is due to Mr. Josiah Warren, formerly of Cincinnati, Ohio, who claims to be the discoverer of a new theory of society, now sought to be reduced to practice at "*Modern Times*," and other "*Equitable Villages*" in various parts of the United States of North America.

As this new theory of society is different to any heretofore attempted, and is now being tested by actual experiment, I trust I may be excused for occupying a few minutes of your time in stating what are its main features, and in directing your attention to a few simple works, from which those who desire may obtain further information, and from which I shall freely quote materials for this paper.

Mr. Warren gives to his theory the generic title of "*Equitable Commerce*," using the word "commerce" not in its restricted and ordinarily understood sense, as pertaining only to trade, and the interchange of commodities, but in the enlarged *old* English signification of the word "conversation," that is, human intercourse of all sorts, interchange of work, business, ideas, civilities, or amusements; in short, the concrete, or *tout ensemble*, of human relations.

According to Mr. Warren, the following is the SOCIAL PROBLEM, in all its branches, which has to be solved:—

- I. The proper, legitimate, and just reward of labour.
- II. Security of person and property.
- III. The greatest practicable amount of freedom to each individual.
- IV. Economy in the production and uses of wealth.
- V. To open the way for each individual to the possession of land, and all other natural wealth.
- VI. To make the interests of all to co-operate with and assist each other, instead of clashing with and counteracting each other.
- VII. To withdraw the elements of discord, of war, of distrust, and repulsion; and to establish a prevailing spirit of peace, order, and social sympathy.

And, according to him also, the following principles are the means of the solution of this Social Problem:—

1. Individuality.
2. The Sovereignty of every individual.
3. Cost as the limit of price.
4. A circulating medium founded on the cost of labour.
5. Adaptation of the supply to the demand.

As observed by Mr. Stephen Pearl Andrews, an acute writer on the subject, "the mere reading of this programme will suggest the immensity of the scope to which the subject extends. A few minds may, from these principles, begin to perceive the rounded outlines of what Mr. Andrews does not hesitate to pronounce the most complete

scientific statement of the problem of human society which has ever been presented to the world. Most, however, will hardly begin to understand the universal and all-pervading potency of these few simple principles, until they find them elaborately displayed and elucidated." The briefest possible exposition, however, of each of these principles is all that will be expected of me on this occasion.

And first of "Individuality," out of which springs the doctrine of the "Sovereignty of the Individual."

It is affirmed, that individuality pervades universal nature; that it is positively the most fundamental and universal principle which the finite mind seems capable of discovering, and the best image of the infinite. There are no two objects in the universe which are precisely alike. Each has its own constitution and peculiarities which distinguish it from every other. Infinite diversity is the universal law. In the multitude of human countenances, for example, there are no two alike; and in the multitude of human characters there is the same variety. The principle applies equally to persons, to things, and to events. There have been no two occurrences which were precisely alike, during all the cycling periods of time. No action, transaction, or set of circumstances, whatsoever, ever corresponded precisely to any other action, transaction, or set of circumstances. This diversity reigns throughout every kingdom of nature, and, it is contended, "mocks at all human attempts to make laws, or constitutions, or regulations, or governmental institutions of any sort, which shall work justly and harmoniously amidst the unforeseen contingencies of the future."

The individualities of objects are least, or, at all events they are less apparent, when the objects are inorganic, or of a low grade of organization. The individualities of the grains of sand which compose the beach, for example, are less marked than those of vegetables, and those of vegetables are less than those of animals, and, finally, those of animals are less than those of man. In proportion as any object is more complex, it embodies a greater number of elements, and each element has its own individualities or diversities in every new combination into which it enters. Consequently these diversities are multiplied into each other, in the infinite augmentation of geometrical progression. Man, standing, then, at the head of the created universe, is consequently the most complex creature in existence—every individual, man or woman, being a little world in him or herself, an image or reflection of God, an epitome of the Infinite. Hence the individualities of such a being are utterly immeasurable; and every attempt to adjust the capacities, the adaptations, the wants, or the responsibilities of one human being by the capacities, the adaptations, or the wants of another human being, except in the very broadest generalities, is unqualifiedly futile and hopeless. Hence every ecclesiastical, governmental, or social institution which is based on the idea of demanding conformity or likeness in any thing, has ever been, and ever will be, frustrated by the operation of this subtle, all-pervading, principle of individuality. Hence, human society has ever been, and is still, in the turmoil of revolution. The only alternative known has been between revolutions and despotism. Revolutions violently burst the bonds, and explode the foundations

of existing institutions. The institution falls before the individual. Despotism only succeeds by denaturalizing mankind. It extinguishes their individualities only by extinguishing them. The individual falls before the institution.

It is affirmed that this indestructible and all-pervading individuality, furnishes, itself, the law and the only true law of order and harmony throughout the universe. When every individual particle of matter obeys the law of its own attraction, and comes into that precise position, and moves in that precise direction which its own inherent peculiarities demand, the harmony of the spheres is evolved. By that means only, natural classification, natural order, natural organization, natural harmony and agreement, are attained. Every scheme or arrangement which is based upon the principle of thwarting the inherent affinities of the individual monads, which compose any system or organism, is essentially vicious, and the organization is false—a mere bundle of revolutionary and antagonistic atoms. If, then, individuality is a universal law which must be obeyed if we would have order and harmony in any sphere, and, consequently, if we would have a true constitution of human government, then the absolute sovereignty of the individual necessarily results. The monads or atoms of which human society is composed, are the individual men and women in it. They must be so disposed of, as we have seen, in order that society may be harmonic, that the destiny of each shall be controlled by his or her own individualities of taste, conscience, intellect, capacity and will. But man is a being endowed with consciousness. He, and no one else, knows the determining force of his own attractions. No one else can, therefore, decide for him; and hence individuality can only become the law of human action by securing to each individual the sovereign determination of his own judgment, and of his own conduct, in all things, with no right reserved either of punishment, or censure, on the part of anybody else whomsoever; and this is what is meant by the “Sovereignty of the Individual,” limited only by the ever-accompanying condition, resulting from the equal sovereignty of all others, that the onerous consequences of his actions be assumed by himself.

It would, perhaps, be injudicious to conclude this almost naked statement of the doctrine of “the Sovereignty of the Individual” without a more formal statement of the scientific limit upon the exercise of that sovereignty which the principle itself supplies. If the principle were predicated of one individual alone, the assertion of his sovereignty, or, in other words, of his absolute right to do as he pleases, or to pursue his own happiness in his own way, would be, confessedly, to invest him with the attributes of despotism over others. But the doctrine which I have endeavoured to set forth is not that. It is the assertion of the concurrent sovereignty of all men, and of all women, and within the limits I am about to state, of all children. This concurrence of sovereignty necessarily and appropriately limits the sovereignty of each. Each is sovereign only within his own dominions, because he can not extend the exercise of his sovereignty beyond these limits without trenching upon, and interfering with, the prerogative of others whose sovereignty the doctrine equally affirms. What, then, constitutes the boundaries of

one's own dominions? This is a pregnant question for the happiness of mankind, and one which, it is said, has never, until now, been specifically and scientifically asked and answered. The answer, if correctly given, will fix the precise point at which sovereignty ceases, and encroachment begins; and it is affirmed that that knowledge, accepted into the public mind, will do more than laws and the sanction of laws, to regulate individual conduct and intercourse. The limitation is this: every individual is the rightful sovereign over his own conduct in all things, whenever, and just so far as, the consequences of his conduct can be assumed by himself; or, rather, inasmuch as no one objects to assuming *agreeable* consequences, whenever and as far as this is true of the *disagreeable* consequences. For disagreeable consequences, endurance, or burden of all sorts, the term "*cost*" is elected as a scientific technicality. Hence the exact formula of the doctrine, with its inherent limitation, may be stated thus:—"The Sovereignty of the Individual, to be exercised at his own cost." It results, that wherever such circumstances exist that a person cannot exercise his own individuality and sovereignty without throwing the "*cost*," or burden of his actions upon others, the principle has so far to be compromised. Such circumstances arise out of connected or amalgamated interests, and the sole remedy is disconnection. The exercise of sovereignty is the exercise of the deciding power. Whoever has to bear the cost should have the deciding power in every case. If one has to bear the cost of another's conduct, and just so far as he has to do so, he should have the deciding power over the conduct of the other. Hence dependence and close connections of interests demand continual concessions and compromises. Hence, too, close connection and mutual dependence is the legitimate and scientific root of despotism, as disconnection or individualization of interests is the root of freedom and emancipation.

If the close combination which demands the surrender of our will to another, is one instituted by nature, as in the case of the mother and the infant, then the relation is a true one notwithstanding. The surrender is based upon the fact that the child is not yet strictly an individual. The unfolding of its individuality is gradual, and its growing development is precisely marked by the increase of its ability to assume the consequences of its own acts. If the close combination of interests is artificial or forced, then the parties exist toward each other in false relations, and to false relations no true principles can apply. Consequently, in such relations, the sovereignty of the individual must be abandoned. The law of such relations is collision and conflict, to escape which, while remaining in the relations, there is no other means but mutual concessions and surrenders of the selfhood. Hence, inasmuch as the interests of mankind have never yet been scientifically individualized by the operations of an equitable commerce, and the limits of encroachment never scientifically defined, the axioms of morality, and even the provisions of positive legislation, have been doubtless appropriate adaptations in the ages of false social relations to which they have been applied, as the cataplasm or the sinapism may be for disordered conditions of the human system. We must not, however, reason, in

either case, from that temporary adaptation in a state of disease to the healthy condition of society or the individual. Much that is relatively good, is only good as a necessity growing out of evil. The greater good is the removal of the evil altogether.

Mr. Warren contends that the doctrine of "Individuality," and "the Sovereignty of the Individual," involves two of the most important scientific consequences, the one serving as a guiding principle to the true solution of existing evils in society, and to the exodus out of the prevailing confusion; and the other as a guiding principle of deportment *in* existing society while those evils remain. The first is that the sovereignty of the individual, or in other words, absolute personal liberty, can only be enjoyed along with the entire disintegration of combined or amalgamated interests; and here the "cost principle" comes in to point out how that disintegration can and must take place, not as an isolation, but along with, and absolutely productive of the utmost conceivable harmony and co-operation. The second is, that while people are forced, by the existing conditions of society, to remain in the close connections resulting from amalgamated interests, there is no alternative but compromise and mutual concession, or an absolute surrender upon one side or the other. While it is the most ultra-radical doctrine in theory and final purpose ever promulgated in the world, it is at the same time eminently conservative in immediate practice. While it teaches, in principle, the prospective disruption of nearly every existing institution, it teaches concurrently, as matter of expediency, a patient and philosophic endurance of the evils around us, while we labour assiduously for their removal. So far from quarrelling with existing government, where it is put upon the footing of temporary expediency as distinguished from abstract principle, and final purpose, it sanctions and confirms it. It has no sympathies with aimless and fruitless struggles, the recriminations of different classes in society, nor with merely anarchical and destructive onslaughts upon existing institutions. It proposes no abrupt and sudden shock to existing society. It points to a scientific, gradual, and perfectly peaceable substitution of new and harmonious relations for those which are confessedly beset, to use the mildest expression, by the most distressing embarrassments.

Having thus briefly touched upon the two first principles propounded by the author of this new theory for the solution of the Social Problem, viz., "*Individuality*," and "*the Sovereignty of every Individual*;" we come now to an exposition of the third principle, which is expressed in the formula "*Cost the limit of Price*."

Mr. Andrews, the principal writer or commentator on Mr. Warren's theory, whom I have before mentioned and quoted, says of this principle, that "in itself it is one which will not probably strike the reader when first stated, as either very profound, very practicable in its application, or very important in its consequences; nor, perhaps, as even equitable in itself. He avers, however, that when subjected to analysis, and traced into its ten thousand different applications, to ownership, to rent, to wages, &c., that it places all human transactions relating to property upon a new basis of exact justice; that is, it has the perfect, simple, but all-prevailing character of a **UNIVERSAL PRINCIPLE**."

“The counter-principle upon which all ownership is now maintained and all commerce transacted in the world is, that ‘*Value* is the limit of price,’ or as the principle is generally stated in the cant language of trade, ‘a thing is worth what it will bring.’”

Between these two principles, so similar that the difference in the statement would hardly attract a moment’s attention unless it were specially insisted upon, lies the essential difference between the present most unsatisfactory condition of society, and the reign of equity, the just remuneration of labour, and the independence and elevation of all mankind.

“There is nothing (continues Mr. Andrews) apparently more innocent, harmless, and equitable in the world than the statement that “a thing should bring what it is worth,” and yet even *that* statement covers the most subtle fallacy which it has ever been given to human genius to detect and expose—a fallacy more fruitful of evil than any other by which the human intellect has ever been clouded.”

According to Mr. Warren, *value* has nothing whatever to do, upon scientific principles, with settling the *price* at which any article should be sold. *Cost* is the only equitable limit, and by cost is meant the amount of *labour* bestowed on its production, that measure being again measured by the *painfulness* or *repugnance* of the labour itself.

Value is a consideration for the purchaser alone, and determines him whether he will give the amount of the cost or not.

This statement is calculated to raise a host of objections and inquiries. If one purchaser values an article more highly than another, by what principle will he be prevented from offering a higher price? How is it possible to measure the relative painfulness or repugnance of labour? What allowance is to be made for superior skill or natural capacity? How is that to be settled? How does this principle settle the questions of interest, rent, machinery? &c. What is the nature of the practical experiments which have already been made? &c., &c.

These several questions, and many others, connected with this interesting and important subject, are specifically answered in treatises by Mr. Warren and Mr. Andrews, one of which, by the former of these gentlemen, embodies the “*Practical Details*” of twenty-four years of continuous experiment upon the workings of the “*Cost Principle*” and the other principles related to it. These “*Practical Details*” relate to the operations of several mercantile establishments conducted at different points, upon the “*Cost Principle*,” to the education of children; to social intercourse; and finally to the complex affairs of several villages which have grown up during the last seven years under the system of “*Equitable Commerce*” of which the cost principle is the basis. These practical details, I may venture to affirm, from a personal knowledge of their character, present a body of facts profoundly interesting to the philanthropic and philosophic student of human affairs.

I shall content myself on this occasion with giving a few sentences mainly from a work of Mr. Andrews, intitled “*The Science of Society*,” illustrative, and in defence, of the principle now more immediately under consideration, viz.,—that Cost is the limit (or scientific measure) of Price.

He starts with the proposition—"That the essential element of beneficent commerce is *EQUITY, or that which is just and equal between man and man.*" He then proceeds:—"The fundamental inquiry, therefore, upon the answer to which alone a *science* of commerce can be erected, is the true measure of equity, or, what is the same thing, the measure of *price* in the exchange of labour and commodities.

This question is one of *immense* importance, and strange to say, it is one which has never received the slightest consideration; which has never, indeed, been raised either by political economists, legislators, or moralists. The only question discussed has been, what it is which *now* regulates price—never, what should regulate it. It is admitted, nevertheless, that the present system of commerce distributes wealth most unjustly. Why, then, should we not ask the question,—what principle or system of commerce would distribute it justly? Why not apply our philosophy to discovering the true system rather than apply it to the investigation of the law according to which the false system works out its deleterious results?

Simple equity is this, *that so much of YOUR labour as I take and apply to MY benefit, so much of MY labour ought I to give you to be applied to YOUR benefit; and, consequently, if I take a product of your labour instead of the labour itself, and pay you in a product of my labour, the commodity which I give you ought to be one in which there is JUST AS MUCH LABOUR as there is in the product which I receive.*

The same idea may be differently presented in this manner.—It is equity, that *every individual should sustain just as much of the common burden of life as has to be sustained by anybody on his account.* Such *would* be the result if each produced for himself all that he consumed, as in the first case supposed above; and the fact that it is found convenient to exchange labour and the products of labour, does not vary the definition of equity in the least.

So much for the *principle* of equity. The next step in the investigation is the method of applying it—the means of arriving at the *measure* of equity. If I exchange my labour against yours, the first measure that suggests itself for the relative amount of labour performed by each is the length of time that each is employed. If all pursuits were equally laborious, or, in other words, if all labour were equally repugnant or toilsome—if it *cost* equal amounts of human suffering or endurance for each hour of time employed in every different pursuit, then it would be exact equity to exchange one hour of labour for one other hour of labour, or a product which has in it one hour of labour for another product which has in it one hour of labour the world over. Such, however, is not the case. Some kinds of labour are exceedingly repugnant, while others are less so, and others again are pleasing and attractive. There are differences of this sort which are agreed upon by all the world. For example,—sweeping the filth from the streets, or standing in the cold water and dredging the bottom of a stream, would be, by general consent, regarded as more repugnant, or, in the common language on the subject, *harder work*, than laying out a garden, or measuring goods.

But besides this general difference in the *hardness* or *repugnance* of work, there are individual differences in the feeling towards

different kinds of labour which make the *repugnance* or *attraction* of one person for a particular kind of labour quite different from that of another. Labour is repugnant or otherwise, therefore, more or less, according to the *individualities* of persons.

It follows from these facts, that equity in the exchange of labour, or the products of labour, cannot be arrived at by measuring the labour of different persons *by time* merely. Equity is the equality of burdens according to the requirements of each person, or, in other words, the assumption of as much burden by each person as has to be assumed by somebody, on his account, so that no one shall be living by imposing burdens upon others. Time is one element in the measurement of the burdens of labour, but the different degrees of repugnance in the different kinds of labour prevent it from being the only one. Hence it follows that there must be some means of measuring *this repugnance itself*—in other words, of determining the relative *hardness* of different kinds of work, before we can arrive at an equitable system of exchanging labour, and the products of labour. If we could measure the general *average* of repugnance, that is, if we could determine how people generally regard the different kinds of labour as to their agreeableness or disagreeableness, still that would not insure equity in the exchange between individuals, on account of those *individualities of character and taste* which have been adverted to. It is an equality of burden between the *two* individuals who exchange, which must be arrived at, and *that* must be according to the estimate which *each* honestly forms of the repugnance to *him* or *her* of the particular labour which he or she performs, and which, or the products of which, are to be exchanged.

It is important, for reasons of practical utility, to arrive at a *general*, or *average*, estimate of the relative repugnance of different kinds of labour, especially of the most common kinds, and that has been, and is done, under the operations of the cost principle, at the “Equitable Villages,” which have been, and are now, in operation in America. But, as we have seen, this even would not be a sufficiently accurate measure of equity to be applied between *individuals*; while on the other hand, this average itself can only be based upon individual estimates.

It follows, therefore, in order to arrive at a satisfactory measure of equity, and the adoption of a scientific system of commerce :—

1. That some method must be devised for comparing the relative repugnance of different kinds of labour.

2. That in making the comparison, *each individual* must make his or her own estimate of the repugnance to him or her of the labour which he or she performs, &c.

3. That there should be a sufficient motive in the results, or consequences, to insure an honest exercise of the judgment, and an honest expression of the real feelings of each, in making the comparison.

As to the first condition—the devising some method by which to compare the relative repugnance of different kinds of labour. This is extremely simple. All that is required is to agree upon some particular kind of labour, the average repugnance of which is most easily ascertained, or the most nearly fixed, and use it as a *standard of*

comparison, a sort of *yard-stick* for measuring the relative *repugnance* of other kinds of labour. For example, in the western American states it is found that the most appropriate kind of labour to be assumed as a standard with which to compare all other kinds of labour is corn-raising. It is also found, upon extensive investigation, that the average product of that kind of labour, in that region, is *twenty pounds of corn to the hour*. If, then, blacksmithing is reckoned as one-half harder work than corn-raising, it will be rated (by the blacksmith himself) at *thirty pounds of corn to the hour*. If shoe-making be reckoned at one-quarter less onerous than corn-raising, it will be rated at *fifteen pounds of corn to the hour*. In this manner the idea of corn-raising is used to measure the relative repugnance of all kinds of labour.

The second condition—reserving to each individual the right of making his or her estimate of the comparative repugnance to him or to her, of the particular labour which he or she performs, is necessary both for the reasons already stated, and because another equally important principle in the true science of society is the sovereignty of the individual. The individual must be kept absolutely above all institutions. He must be left free even to abandon the principles when he chooses. The only constraint must be in the attractive nature and results of true principles.

The third condition was stated to be—"that there should be a sufficient motive in the results or consequences of compliance with these principles to insure an honest exercise of the judgment, and an honest expression of the real feeling of each in making his estimate of the relative repugnance of his labour." The existence of such a motive can only be shown by a view of the general results of this entire system of principles upon the condition of society, and upon the particular interests of the individual. These results must be gathered from a thorough study of the whole subject, in order to establish this point conclusively to the philosophic mind. The force of a public sentiment, rectified by the knowledge of true principles, will not be lost sight of by such a mind."

I shall not detain you by a statement of the particular remedial results of deviations from the principles of equity upon the interests of individuals, but they are specifically pointed out in the work of Mr. Andrews.

Especial attention is directed to the technical distinction between *value* and *cost*—a point of great importance to the whole discussion.

"What a thing is worth," is another expression for the value of a commodity or labour. The *value* of a commodity, or labour, is *the degree of benefit which it confers upon the person who receives it, or to whose use it is applied*. The *cost* of it is, on the other hand, as already explained, *the degree of burden which the production of the commodity, or the performance of the labour, imposed upon the person who produced or performed it*. They are, therefore, by no means the same. No two things can possibly be more distinct. The burden or cost may be very great, and the benefit or value very little, or *vice versâ*. In the case of an exchange or transfer of an article from one person to another, the cost relates to the party who makes the transfer, the burden of the production falling on him, and the *value* to the party

to whom the transfer is made, the article going to his benefit. It is the same if the object exchanged is labour directly. It follows, therefore, that to say that "a thing should bring what it is worth," which is the same as to say that "*its price should be measured by its value*," is quite the opposite of affirming that it should bring *as much as it cost the producer to produce it*. Hence both rules cannot be true, for they conflict with and destroy each other. It is affirmed, however, that *cost* is the true and *value* the false measure of price, and the author seeks to establish this by a most logical disquisition and a comparison of the consequences of the two principles in operation.

It is admitted that although value is not the legitimate limit of price, nor even an element in the price, it is nevertheless an element in the bargain. *It is the value of the thing to be acquired which determines the purchaser to purchase*. It belongs to the man who labours, or produces an article, estimating for himself, as we have seen, the amount of burden he has assumed, to fix the price measured by that burden or cost. He alone knows it, and he alone, therefore, can determine it. It belongs, on the other hand, to the purchaser to estimate for himself the value of the labour or commodity to him. He alone can do so in fact, for he alone knows the nature of his own wants. By the settlement of the first point—the cost to the producer—the price becomes a fixed sum. If the value then exceeds that sum in the estimation of the other party he will purchase, otherwise not. Hence the value, though not an element in the price, is an element in the bargain. The price is a consideration wholly for the vendor, and the value a consideration wholly for the purchaser. Hence it follows that both *value* and *cost* enter into a bargain, even when legitimately made. But *value* goes solely to determine the *demand*, and is solely cognizable by the *purchaser* or *consumer*—by *him who receives*; while *cost* (or *burden*) goes to determine the *price*, and is solely cognizable by the *seller* or *producer*—by *him who renders*. By this means the cost of each one's acts is made to fall upon himself, which is the essential condition of the rightful exercise of the sovereignty of the individual. If you over-estimate the value to you of my services, you endure the cost or disagreeable consequences of your mistake or want of judgment. If I, on the other hand, under-estimate the cost or endurance of the performance to me, the cost of that error falls on me, submitting each of us to the government of consequences, the only legitimate corrective. If, again, I over-estimate the cost to me, and ask a price greater than your estimate of the value to you, there is no bargain, and I have lost the opportunity of earning a price measured by the real cost of the performance, so that the cost of my mistake again falls on me; while, the market being open, and a thorough adjustment of supply to demand being established, others will make a juster estimate, whose services you will procure and you will suffer no inconvenience. Competition will regulate any disposition on my part to overcharge.

All this is reversed in our existing commerce. The vendor adjusts his price to what he supposes to be its value to the purchaser, that is to the degree of want in which the purchaser is found, never to

what the commodity cost himself; thus interfering with what cannot concern him, except as a means of taking an undue advantage. The purchaser, on the other hand, offers a price based upon his knowledge or surmise of what the degree of want of the vendor may force him to consent to take.

As respects the propriety of measuring price by value, it is, in the first place, stated to be *essentially impossible to measure value EXACTLY*, or, in other words, to ascertain the precise WORTH of labour or commodities; and that, in the next place, if it *were* possible to measure values precisely, *the exchange of commodities according to value would still be a system of mutual conquest and oppression*, not a beneficent reciprocation of equivalents. And this is illustrated by the following, among other examples:—

“Suppose I am a wheelwright, in a small village, and the only one of my trade. You are travelling with certain valuables in your carriage, which breaks down opposite my shop. It will take an hour of my time to mend the carriage. You can get no other means of conveyance, and the loss to you, if you fail to arrive at the neighbouring town in season for the sailing of a certain vessel, will be \$500, which fact you mention to me, in good faith, in order to quicken my exertions. I give one hour of my work and mend the carriage. What am I, in equity, entitled to charge—what should be the *limit of price* upon my labour?”

Let us apply the different measures and see how they will operate. If *value* is the limit of price then the price of the hour's labour should be \$500. That is the equivalent of the value of the labour to you. If *cost* is the limit to price, then you should pay me a commodity, or commodities, or a representative in currency which will procure me commodities, having in them one hour's labour, equally as hard as the mending of the carriage, without the slightest reference to the degree of benefit which that labour has bestowed upon you; or, putting the illustration in money thus:—assuming twenty-five cents to be an equivalent for an hour's labour of an artisan in that particular trade, then, according to the *cost principle*, I should be justified in asking only twenty-five cents, but according to the *value principle*, I should be justified in asking \$500.

The *value principle*, in some form of expression, is, as I have said, the only *recognized* principle of trade throughout the world. “A thing is worth what it will bring in the market.” Still, if I were to charge you \$500, or a fourth part of that sum, and, taking advantage of your necessities, force you to pay it, everybody would denounce me, the poor wheelwright, as an extortioner and a scoundrel. Why? Simply because this is an *unusual* application of the principle. Wheelwrights seldom have a chance to make such a “speculation,” and therefore it is not according to the “established usages of trade.” Hence its manifest injustice shocks, in such a case, the common sense of right. Meanwhile you, a wealthy merchant, are daily rolling up an enormous fortune by doing business upon the same principle which you condemn in the wheelwright, and nobody finds fault. At every scarcity in the market you immediately raise the price of every article you hold. It is your *business* to take advantage of the necessities of those with whom you deal, by selling

to them according to the *value* to them, and not according to the *cost* to you. You go further. You, by every means in your power, create those necessities, by buying up particular articles and holding them out of the market until the demand becomes pressing, by circulating false reports of short crops, and by other similar tricks known to the trade. This is the same in principle as if the wheelwright had first dug the rut in which your carriage upset, and then charged you the \$500.

It is contended that "the value principle" is the commercial embodiment of the essential element of conquest and war,—war transferred from the battle-field to the counter, none the less opposed, however, to the spirit of christian morality, or the sentiment of human brotherhood. In bodily conflict the physically strong conquer and subject the physically weak. In the conflict of trade the intellectually astute and powerful conquer and subject those who are intellectually feeble, or whose intellectual development is not of the precise kind to fit them for the conflict of wits in the matter of trade. With the progress of civilization and development we have ceased to think that superior physical strength gives the *right* of conquest and subjugation. We have graduated, in idea, out of the period of physical dominion. We remain, however, as yet in the period of intellectual conquest or plunder. It has not been questioned hitherto, as a general proposition, that the man who has superior intellectual endowments to others, has a right, resulting therefrom, to profit thereby at the cost of others. In the extreme applications of the admission only is the conclusion ever denied. In the whole field of what are denominated the legitimate operations of trade, there is no other law recognized than the relative "smartness or shrewdness" of the parties, modified at most by a sentimental precept, such as an exhortation to be "fair" in your dealings. The *sentiment* of honesty exists, but the *science* of honesty is wanting. The sentiment is first in order. The science must be an outgrowth, a consequential development of the sentiment. The precepts of christian morality deal properly with that which is the soul of the other, leaving to intellectual investigation the discovery of its scientific complement.

The following, among others, are the objectionable consequences which flow from the principle of making value, instead of *cost*, the rule of price; and every one of which consequences, it is affirmed, are reversed by the operation of the cost principle:—

1. It renders falsehood and hypocrisy a necessary concomitant of Trade.

2. It makes the rich richer, and the poor poorer.

3. It creates trade for trade's sake, and augments the number of non-producers, whose support is chargeable to labour.

4. It degrades the dignity of labour.

5. It prevents the possibility of a scientific adjustment of supply to demand.

6. It renders competition destructive and desperate.

7. It renders the induction of new machinery a wide-spread calamity, instead of a universal blessing.

The importance and novelty of the three first principles pro-

pounded by Mr. Warren, as the solution of the social problem—namely, “Individuality,” “the Sovereignty of the Individual,” and “Cost the limit of Price,” must plead my excuse for having occupied so much of the time accorded me, to their elucidation, and for the necessary brevity with which I shall notice the two remaining principles, and which will explain to you the “Circulating Medium” adopted in these “Equitable Villages,” and the means taken to adapt the supply to the demand.

Money has professedly two uses,—one as a standard of value, and another as a circulating medium. Now, in the system of equitable commerce, money, as at present used, is rejected as being too uncertain and fluctuating in its nature to be a *standard*; and (so far as gold and silver are concerned), as not being convenient as a circulating medium. A critical investigation on these points is gone into in the works of Mr. Warren and Mr. Andrews, the result of which is stated to be, first,—that the product of gold, and for the same reason silver, is quite unfit for our purpose, which is the selection of a staple species of labour with which to compare other labour, while it is shown that corn or wheat does fulfil the required conditions; and, secondly, that paper is just suited as a circulating medium, provided it can be made to rest upon a proper basis, and represent what *ought* to be represented by a circulating medium.

“Now what is it which *ought* to be represented by a circulating medium? Clearly it is *price*—the price of commodities. The pledge or promise should be exactly equivalent to, as it stands in the place of, the commodity or commodities to be given hereafter. These commodities, which the paper stands in the place of, are the *price* of what was received. The equitable limit of price it is contended is the *cost* of the articles received. The promise is, therefore, rightly the equivalent of, or goes to the extent of, the *cost* of the articles received. But the *cost* of an article is, we have seen, the *labour* there is in it, *rightly measured*. Every issue of the circulating medium should therefore be a representative of, or pledge for, a certain amount of human labour, or for some commodity which has in it an equal amount of human labour; and to avoid all question about what commodity shall be substituted, it is proper that a staple or standard article, the cost of which all agree upon, should be selected.”

“The first point,” says Mr. Andrews, “is to obtain a standard for a single locality, after which it is quite easy to adjust the standard of other localities to it. Agricultural labour is first selected, because it is the great staple branch of human industry. The most staple article of agricultural product is, then, taken, which for America, and especially for the great valley of the Mississippi, is Indian-corn. In another country it may be wheat, or something else, although Indian corn, wherever it is produced, will be found to have more of the appropriate qualities for a standard than any other article whatsoever, being more invariable in quality, more uniform in the amount produced by the same amount of labour in a given locality, and more uniform in the extent of the demand than any other article. At a given locality, or, as I have stated, at a great variety of localities in the western states, the standard product of Indian-corn is twenty pounds to the hour’s labour, the measurement by pounds being also

more inflexible or less variant than that by bulk. If, then, in some other locality, as, for example, New England, the product of an hour's labour devoted to raising corn is only ten pounds of corn, the equivalent of the standard hour's labour *there* will be ten pounds of corn, while in the west it will be twenty pounds. It is the hour's labour, in that species of agriculture, which is therefore the actual unit of comparison, of which the product, whatever it may be, is the local representative. And, in the same manner, in another country wheat may be the standard, as, for example, in England, and may be reckoned at ten pounds to the hour, or whatever is found by trial to be the fact. The reduction of the standard of one locality to that of another, will then be no more difficult than the reduction of different currencies to one value, as now practised."

There is an absolute necessity for some standard of *cost*, and it is not a question of principle but of expediency what article is adopted. It is the same necessity which is recognized at present for a standard of *value*, which is sought for, and by some persons erroneously supposed to be found in money.

Now, if an exchange could be always made and completed on the spot, each party giving and receiving an equivalent in labour or the product of labour, the whole problem of exchanges would be solved by this simple method, and there would be no necessity for a circulating medium, or for anything to perform the part which is performed by money in our existing commerce. But such is not the case. Ordinarily the exchange is only partially completed on the spot, the remaining part *waiting to be completed at some future time*, by the performance of an equivalent amount of labour, or the products or commodities having in them an equivalent amount of labour.

In such a case as that just stated, it is proper that the party who does not make his part of the exchange on the spot, should give *an evidence of his obligation to do so at some future time*, whenever called upon—and this is the origin of what is called the labour note, which is the form assumed by "Equitable Money," the fourth among the elements of the solution of the problem of society. The party who remains indebted to the other gives his own note, *provided the other consents to receive it*, for an equivalent amount of his own labour, or else of the standard commodity—say so many pounds of corn, specifying in the note the kind of labour, and the alternative. As it may happen that the party receiving the labour note may not require the labour itself, or that it may be inconvenient for the party promising to perform it when it is wanted, it is provided that the obligation may be discharged, at the option of the party giving the note, in the standard commodity instead. On the other hand, although the party receiving the note may not want the labour himself, yet some person with whom he deals may want it, and hence he can pass the note to a third party who is willing to receive it for an equivalent amount of labour, or products, received from him. In this manner the labour note begins to circulate from one to another, and the aggregate of labour notes in circulation in a neighbourhood constitutes the neighbourhood's circulating medium, dispensing, so far as this equitable commerce extends, with money altogether, or, rather, introducing a *new species of paper-money, based solely on individual responsibility.*

The use of the labour note is not strictly a *principle of equity*, but partakes more of the nature of a contrivance than any other feature of the system of equitable commerce; but yet it seems to be a necessary instrument to be employed in the practical working of the system. The *theory* of equity is complete without it, but the necessity for its use arises from the practical fact that exchanges cannot in every case be completed on the spot. Hence a circulating medium of some sort is indispensable; and in order that the system may remain throughout an equitable one, in practice as well as in theory, the circulating medium must be based *on equivalents of labour or cost between individuals*.

The features of the labour note are peculiar, and the points of difference between it and ordinary money are numerous and far more important than at first sight appears. They are as follows:—

1. Its cheapness and abundance.

2. Being based on individual credit it makes every man his own banker.

3. It combines the properties of a circulating medium, and a means of credit.

4. It represents an ascertained and definite amount of labour or property, which ordinary money does not.

I have no time to amplify on these several heads, but for further information must refer my hearers to the works which have been published upon the subject.

I come now to the consideration of the fifth and last principle in “Equitable Commerce,” which is “*the adaptation of the supply to the demand*.”

Treating of this part of his subject, Mr. Warren says:—“In society where even the first elements of order had made their way to the intellects of men, there would be some point at which all would continually make known their wants, as far as they could anticipate them, and put them in a position to be supplied; and all who wanted employment would know where to look for it, and the *supply would be adapted to the demand*. We should not then have *all* the flour carried out of the country where it was raised, so that none could be had (as at this moment while I am writing) and carried a thousand miles in anticipation of higher prices. This rush of flour has “*exceeded the demand*”—“prices have fallen”—twelve hundred barrels have spoiled in one man’s hands, and two thousand barrels are on their way back to the place of production! where, after having been stored, and booked, and drayed, and shipped to New Orleans, and there unshipped, and drayed, and stored, and booked, and waiting for a *demand*, it is again drayed, and shipped, and brought back to be unshipped, drayed, and stored, and booked, and sold, half spoiled, to its original producers, for all its first cost, with all these expenses added, and as much more as the holders “can get.” This is the *economy* of our present profit-making commerce.

“The adaptation of the *supply to the demand*, although it is continually governing the bodies of men, seems never to have made its way into their intellects, or they would have made it the governing principle of their arrangements. It is this which prompts almost every action of life, not only of men, but other animals—insects—

all animated nature. All man's pursuits originate in his efforts to supply some of his wants, either physical mental, or moral; even our intellectual commerce is unconsciously governed by this great principle, whenever it is harmonious and beneficial; and it is discordant and depreciating when it is not so regulated. An answer to a question is but a supply to a demand. Advice, *when wanted*, is acceptable, but never otherwise—COMMANDS are never in this order, and produce nothing but disorder. The sovereignty of the individual must correct this."

Mr. Andrews contends that "there is no reason in the nature of the case why there should not be as accurate a knowledge in the community of the statistics of supply and demand, as there is of the rise and fall of the tides, nor why that knowledge should not be applied to secure a minute, punctual, and accurate distribution of products over the face of the earth, according to the wants of various countries, neighbourhoods and individuals. *The supposed excess of labour is no more an excess than congestion is an excess of blood in the human system.* The scarcity of the circulating medium which is now in use, and which is requisite for the interchange of commodities, is regarded by those who have studied this subject profoundly as the principal difficulty in the way of such an adjustment, but that scarcity itself is only a specific form and instance of the general want of adaptation of supply to demand, which extends far beyond all questions of currency—the supply of circulating medium being unequal to the demand for it, owing to the expensiveness of the substances selected for such a medium, and their consequent total unfitness for the purpose.

It follows from what has been said, that appropriate arrangements for the adaptation of supply to demand are a *sine quâ non* of a true social order. But the existence of such arrangements is an impossibility in the midst of the prevalence of speculation. But speculation has always existed, and is inherent in the present commercial system, and consequently no adequate adjustment of supply to demand has ever been had, or can ever be had, while that system remains in operation. It is the business of speculation, and hence of the whole mercantile profession, to confuse and becloud the knowledge of the community upon this very vital point of their interests, and to derange such natural adjustment as might otherwise grow up, even in the absence of full knowledge on the subject—to create the belief that there is excess or deficiency when there is none, and to cause such excess or deficiency, in fact, when there would otherwise be none, in order to buy cheap and sell dear. Speculation is not only the vital element of the existing system of commerce, but it will always exist upon any basis of exchange short of the cost principle, and this extinguishes speculation.

I have now finished my sketch of the principles of "Equitable Commerce," and I wish to draw attention to the fact as vouched by their discoverer, Mr. Warren, and their expounder, Mr. Andrews, that there is no one of this circle of principles which has not been patiently, repeatedly, and successfully applied in practice, in a variety of modes, during the last eight-and-twenty years, and long before it was announced in theory—a point in which, it is thought, these principles differ materially from all the numerous speculations upon

social subjects to which the attention of the public has been heretofore solicited.

An integral view of the connections of the different parts of this system of principles can only be a final result of a thorough familiarity with their detailed applications and practical effects. It is averred, with great emphasis, that there exists so intimate a relation between them, that if any one of them is omitted, it is impossible to work out the proposed results. The others will remain true, but any one of them, or any four of them, are wholly inadequate to the solution.

In conclusion, allow me to say that time has not permitted me to give more than the faintest glimpse of a subject which I deem of the greatest importance to the human family. I have ventured thus much, however, in the hope of exciting sufficient interest to induce some of the acute and inquiring minds among my auditors to procure the very few and uncostly works which have been published on the subject,* and make it, as I am doing, a study. I do not profess to be able to *defend all* the principles enunciated, although after considerable attention, and with a mind prepossessed against some of them, I confess I should find it difficult to *confute any*.

In the language of Mr. Andrews,—the very able expositor of the system,—when alluding more especially to “Cost as the limit of Price,”—“A thousand objections will occur which it is impossible to remove at the time of stating the general outline. It will be perceived by the acute intellect that a principle is here broached which is absolutely revolutionary of all existing commerce. Perhaps a few minds may follow it out at once into its consequences far enough to perceive that it promises the most magnificent results in the equal distribution of wealth proportioned to industry—the abolition of pauperism—general security of condition instead of continual bankruptcy or poverty—universal co-operation—the general prevalence of commercial honour and honesty, and in ten thousand harmonizing and beneficent effects, morally and religiously. The larger class of persons, however, will require that each particular detail shall be traced out and defined; and the mass of mankind will only understand the subject upon the basis of practical illustration. Hence the necessity that the practice go along with the theory, a method which has been generally adopted and pursued, and of the results of which the public will be from time to time sufficiently advised.”

* 1. “THE SCIENCE OF SOCIETY, in two parts. Part I.—The true constitution of Government in the Sovereignty of the Individual as the final development of Protestantism, Democracy, and Socialism. Part II.—Cost the limit of Price, a scientific measure of honesty in trade, as one of the fundamental principles in the solution of the social problem. By STEPHEN PEARL ANDREWS.” Published by Fowler and Wells, New York. Price, in cloth, \$1.

2. “EQUITABLE COMMERCE. A new development of principles for the harmonious adjustment and regulation of the pecuniary, intellectual, and moral intercourse of mankind, proposed as elements of new society. By JOSIAH WARREN.” Price 25 cents.

3. “PRACTICAL DETAILS IN EQUITABLE COMMERCE.” An interesting account of the actual working of the principles laid down in the former work. Price 25 cents.

4. “THE PERIODICAL LETTER, on the Principles and Progress of the Equity Movement.” Published monthly, commencing July, 1854. By JOSIAH WARREN. Thompson, P. O., Long Island, New York.